

**HISTORIC OLD TOWN CANOGA PARK
BUSINESS IMPROVEMENT DISTRICT**

**DISTRICT
ASSESSMENT ENGINEER'S
REPORT**

ATTACHMENT C

*Prepared by
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Edward Henning & Associates*

February 18, 2009

HISTORIC OLD TOWN CANOGA PARK BUSINESS IMPROVEMENT DISTRICT

DISTRICT ASSESSMENT ENGINEER'S REPORT

To Whom It May Concern:

I hereby certify to the best of my professional knowledge and experience that each of the identified benefiting properties located within the proposed Historic Old Town Canoga Park Business Improvement District ("Canoga Park BID") being renewed for 10 years will receive a special benefit over and above the benefits conferred on the public at large and that the amount of the proposed assessment is proportional to, and no greater than the benefits conferred on each respective property.

Prepared by Edward V. Henning, California Registered Professional Engineer # 26549



RPE #26549

February 18, 2009

Edward V. Henning

Date

(NOT VALID WITHOUT SIGNATURE AND CERTIFICATION SEAL HERE)

Introduction

This report serves as the "detailed engineer's report" required by Section 4(b) of Article XIID of the California Constitution (Proposition 218) to support the benefit property assessments proposed to be levied within the Canoga Park BID in the City of Los Angeles, California being renewed for a 10 year period. The discussion and analysis contained within constitutes the required "nexus" of rationale between assessment amounts levied and special benefits derived by properties within the Canoga Park BID.

NOTE: The terminology "identified benefiting parcel" or "property" is used throughout this report pursuant to SB 919 - "Proposition 218 Omnibus Implementation Act" which clarified portions of Prop 218. It provides the Engineer and District Consultant with the ability to actually identify individual parcels which will specially benefit directly either in whole or in part from the proposed District funded programs and improvements and does not imply that all parcels receive assessable benefits.

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Background

The Canoga Park BID is a property-based benefit assessment type district being established pursuant to Section 36600 et seq. of the California Streets and Highways Code, also known as the Property and Business Improvement District Law of 1994 (the "Act"). Due to the benefit assessment nature of assessments levied within a BID, district program costs are to be distributed amongst all identified benefiting properties based on the proportional amount of program benefit each property is expected to derive from the assessments collected. Within the Act, frequent references are made to the concept of relative "benefit" received from BID programs and activities versus amount of assessment paid. Only those properties expected to derive special benefits from BID funded programs and activities may be assessed and only in an amount proportional to the relative benefits expected to be received.

The method used to determine special benefits derived by each identified property within a BID begins with the selection of a suitable and tangible basic benefit unit. For property related services, such as those proposed in the Canoga Park BID, the benefit unit may be measured in linear feet of primary street frontage or parcel size in square feet or building size in square feet or number of building floors or proximity to major corridors in average linear feet, or any combination of these factors. Quantity takeoffs for each parcel are then measured or otherwise ascertained. From these figures, the amount of benefit units to be assigned to each property can be calculated. Special circumstances such as unique geography, land uses, development constraints etc. are carefully reviewed relative to specific programs and improvements to be funded by the BID in order to determine any levels of diminished benefit which may apply on a parcel-by-parcel or categorical basis.

Based on the factors described above such as geography and nature of programs and activities proposed, an assessment formula is developed which is derived from a singular or composite basic benefit unit factor or factors. Within the assessment formula, different factors may be assigned different "weights" or percentage of values based on their relationship to programs/services to be funded.

Next, all program and activity costs, including incidental costs, District administration and ancillary program costs, are estimated. It is noted, as stipulated in Proposition 218, and now required of all property based assessment Districts, indirect or general benefits may not be incorporated into the assessment formula and levied on the District properties; only direct or "special" benefits and costs may be considered. Indirect or general benefit costs, if any, must be identified and, if quantifiable, calculated and factored out of the assessment cost basis to produce a "net" cost figure. In addition, Proposition 218 no longer automatically exempts government owned property from being assessed and if special benefit is determined to be conferred upon such properties, they must be assessed in proportion to special benefits conferred in a manner similar to privately owned property assessments.

From this, the value of a basic benefit unit or "basic net unit cost" can be computed by dividing the total amount of

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estimated net program costs by the total number of benefit units. The amount of assessment for each parcel can be computed at this time by multiplying the Net Unit Cost times the number of Basic Benefit Units per parcel. This is known as "spreading the assessment" or the "assessment spread" in that all costs are allocated proportionally or "spread" amongst all properties within the BID.

The method and basis of spreading program costs varies from one BID to another based on local geographic conditions, types of programs and activities proposed, and size and development complexity of the District. Assessment districts may require secondary benefit zones to be identified to allow for a tiered assessment formula for variable or "stepped-down" benefits derived.

Supplemental Proposition 218 Procedures and Requirements

Proposition 218, approved by the voters of California in November of 1996, adds a supplemental array of procedures and requirements to be carried out prior to levying a property-based assessment like the Canoga Park BID. These requirements are in addition to requirements imposed by State and local assessment enabling laws. These requirements were "chaptered" into law as Article XIID of the California Constitution.

Since Prop 218 provisions will affect all subsequent calculations to be made in the final assessment formula for the Canoga Park BID, Prop 218 requirements will be taken into account. The key provisions of Prop 218 along with a description of how the Canoga Park BID complies with each of these provisions are delineated below.

(Note: All section references below pertain to Article XIII of the California Constitution):

Finding 1. From Section 4(a): "Identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed"

All "identified" parcels within the proposed Canoga Park BID will individually derive special benefit from the proposed District programs and activities. The benefits are special and unique only to the identified properties within the proposed District because programs and services (i.e. security; landscaping and maintenance; marketing, promotion & public relations; new business attraction; administration & policy development) will only be provided directly for the identified properties. These identified benefiting parcels are located within the BID perimeter boundary which is shown on the Boundary Map included in the Management District Plan and are listed as an attachment to the Plan and this Report - identified by assessor parcel number.

Boundaries: The boundaries of the Canoga Park BID generally include the core commercial area of Historic Old Town Canoga Park. More specifically the BID is bounded by Wyandotte Street on the North; Gault Street on the

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South, Canoga Avenue on the East (including those parcels on the eastside of the Canoga Avenue in the former railroad right-of-way) from Sherman Way to Wyandotte Street; Deering Street on the East from Sherman Way to Gault Street; and Glade Avenue on the West, along Sherman Way.

The justification for selecting the Canoga Park BID boundaries is:

- 1) The area to the North and to the South of the proposed boundaries is primarily residential and would not receive benefit from the improvements and activities to be provided by the BID.
- 2) The area to the East of the Canoga Avenue boundary contains businesses that have different needs from the goals of the Canoga Park BID - for example the need for a much higher security level, micro-targeted Spanish language marketing and cleanup efforts that exceed the capabilities of the BID.
- 3) The area to the East of the Deering Street boundary contains businesses that have different needs from the goals of the Canoga Park BID - for example the need for a much higher security level, micro-targeted Spanish language marketing and cleanup efforts that exceed the capabilities of the BID.
- 4) The area West of Topanga Canyon Boulevard and to the north and south of those properties fronting on Sherman Way is primarily residential and would not benefit from the services of the BID.
- 5) The proposed BID renewal plan expands the Western boundary along Sherman Way from Topanga Canyon Boulevard to Glade Avenue because the properties in this block have similar marketing & PR, security, landscape & maintenance, and policy development needs as the properties within the current BID boundaries; and will specially benefit from the services to be provided by the BID.
- 6) The area West of Glade Avenue on Sherman Way is significantly cleaner and safer, with greater pedestrian traffic and commercial activity than properties within the proposed BID; and does not have the same needs for the BID security, landscaping & maintenance, marketing & promotions, new business attraction and policy development programs and services.

Therefore, since these neighboring parcels are not consistent with the goals and needs of the BID, and will not receive any of the improvements or activities, they will not be included in the BID nor will they derive special benefits from the BID services and programs.

There are two benefit zones within the Canoga Park BID. Zone 1 includes all parcels fronting on both the north and south sides of Sherman Way between Glade and Canoga Avenues. Benefit Zone 1 is anticipated to derive the greatest

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benefit from the assessments generated from the district. These parcels will benefit individually from the landscaping & maintenance funding, have greater frequency of sidewalk sweeping and steam cleaning and from the district identity services funded from the district's special benefit services.

Benefit Zone 2 includes all other parcels from Topanga Canyon Blvd and the MTA ROW east of Canoga Ave between Wyandotte and Gault Streets. Benefit Zone 2 is anticipated to derive less special benefit from the assessments generated from the district. These parcels will also benefit individually from the landscaping & maintenance funding, have a lesser frequency of sidewalk sweeping and trash removal and do not require as many services from the district identity component of the district.

All identified parcels within the above-described boundaries shall be assessed to fund special benefit services, programs and improvements as outlined in this report. BID funded activities will only be provided to properties inside the District boundaries – none outside.

It is to be noted that the State of California PBID law states that "properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and services funded through these assessments, and shall not be subject to any assessment pursuant to this part." It is hereby concluded that the same rule of logic shall apply to properties with residential land uses, whether located on commercially or residentially zoned land within the BID.

Therefore residential land uses, either located on commercial or residential zoned land within the district, will not be directly serviced by the BID programs either physically or by program type. Thus, in the opinion of this Engineer, these certain parcels will receive no direct benefits from BID funded programs and, in turn, will not be assessed. In the future, should the land use on any of these residential use/commercial zoned parcels convert from residential to non-residential, an assessment will be levied in accordance with the assessment formula rates in effect at the time. Under any circumstances, residentially zoned parcels within the district cannot be assessed regardless of land use as stipulated in State BID Law.

Finding 2. From Section 4(a): "Separate general benefits (if any) from the special benefits conferred on parcel(s). Only special benefits are assessable. "

As stipulated by Proposition 218, assessment District programs and activities may confer a combination of general and special benefits to properties, but the only program benefits that can be assessed are those that provide special benefit to the property owners. For the purposes of this analysis, a "general benefit" is hereby defined as: "A benefit to properties in the area and in the surrounding community or benefit to the public in general resulting from the improvement, activity, or service to be provided by the assessment levied". A General Benefit includes benefits conferred generally on real property located in the assessment district, and is not restricted to benefits conferred on

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persons and property outside the assessment district. "Special benefit" as defined by the California State Constitution means a distinct benefit over and above general benefits conferred on real property located in the District or to the public at large. Furthermore a "special benefit" must affect the assessed property in a way that is particular and distinct from its effect on other parcels and that real property in general and the public at large do not share.

The property uses within the boundaries of the BID are a mix of retail, office, government, parking and residential. Services, programs and improvements provided by the District are primarily designed to provide special benefits to identified non-residential parcels within the boundaries of the district. As previously mentioned, residential land uses, whether located on commercial or residential zoned land within the district, will not be directly serviced by the BID programs either physically or by program type and thus will derive no special assessable benefits.

Existing City of Los Angeles services will be enhanced, not replaced or duplicated, by BID services. In the case of the Canoga Park BID, the very nature of the purpose of this District is to fund supplemental programs, improvements and services within the BID boundaries above and beyond what is being currently funded either via normal tax supported methods or other funding sources. These services, programs and improvements, are designed to enhance the commercial core uses, increase tenancy and marketing of the commercial entities in the BID and improve the aesthetic appearance of the BID as a whole. All benefits derived from the assessments to be levied on parcels within the BID are for services, programs and improvements directly benefiting the property owners within this area and support increased security, cleanliness, commerce, business attraction and retention, increased property rental income and improved District identity. No services will be provided beyond the BID boundaries. The following services, programs and improvements will provide special benefit to the identified properties within the BID boundaries.

1. SECURITY (\$55,000)

Security services may include any combination of regular and noticeable vehicle, bicycle or foot patrols. These services are designed to enhance safety and service, in conjunction with significant events or the attraction of larger crowds as well as supporting the day-to-day activities and concerns of individual properties within the district such as loitering, vandalism, prostitution and drug dealing. Security patrols will take place on a daily basis during the morning and afternoon hours by foot or automobile; and/or during the evening, night and early morning hours in automobiles with 2 armed guards per vehicle.

The shift schedule would be variable according to need in order to maintain cost effectiveness and an element of unpredictability with regard to persons conducting illegal activities in the BID. Community partnerships with the Los Angeles Police Department and the use of non-public safety personnel, will serve as the "eyes and ears" of the properties within the district.

This activity is designed to enhance commerce and image and to attract and retain business and patrons to individually assessed parcels within the BID boundaries. Because these services and programs will only be provided to assessed parcels within the BID boundaries, they constitute "special benefits" to the identified assessed parcels.

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2. LANDSCAPING & MAINTENANCE (\$70,000)

Sidewalk cleaning will be done on a weekly basis with Sherman Way having more frequent cleaning due to more pedestrian traffic and need for cleaning services. Litter and debris pick up, as well as trash collection of sidewalk receptacles within the BID boundaries will be done on a daily basis, with Sherman Way receiving additional pick up due to demand. Weed abatement and graffiti removal will be provided as needed. Periodic tree maintenance, and other general maintenance activities will also be provided regularly, with Sherman Way requiring more maintenance due to more trees and planter areas. Illegally dumped furniture, larger graffiti and abandoned cars will be reported to the City for removal as they appear within the BID. Continuing maintenance in this manner will attract business and customers.

These services, programs and improvements will enhance the image of the BID. This activity is designed to increase commerce and attract and retain new business and patrons to assessed parcels within the BID boundaries. Because these services, programs and improvements will only be provided to assessed parcels within the BID boundaries, they will each constitute "special benefits" to the identified assessed parcels.

3. MARKETING, PROMOTION & PUBLIC RELATIONS (\$25,000)

A comprehensive marketing effort will be conducted in coordination with private efforts and other community organizations to attract new customers to the BID. These efforts will also seek to maximize the positive impact of the Madrid Theater and other cultural centers, and their events upon local business interests.

Cable television and print advertising, promotional events and activities with media coverage, and attractive banners that promote existing businesses will be undertaken to create excitement and draw pedestrian traffic to the BID. The use of co-sponsorships and joint efforts will minimize the District's costs for these events.

Directional signing is also anticipated to promote visitors.

It is intended that the marketing and promotions will allow the public to perceive the assessed properties within the BID boundaries as a single destination with a rich collection of attractions, events and services. The District's web site is a component of its marketing and promotions program.

This activity is designed to increase commerce, enhance image and attract new patrons to assessed parcels within the BID boundaries. Because these services, programs and improvements will only be provided to assessed parcels within the BID boundaries, they constitute "special benefits" to the identified assessed parcels.

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4. NEW BUSINESS ATTRACTION (\$7,000)

This activity provides for efforts to attract and recruit new businesses to the BID that will increase occupancy rates for assessed properties within the BID; and provide a more diverse array of goods and services to attract greater pedestrian traffic for the benefit of all existing stakeholders.

Because these programs will only be provided to assessed parcels within the BID boundaries, they constitute "special benefits" to the identified assessed parcels.

5. ADMINISTRATION & POLICY DEVELOPMENT (\$37,000)

The BID retains a full time Executive Director to oversee the execution of the service plan and other required administrative functions including but not limited to preparing BID Activity Reports, financial statements and overseeing the BID website.

The Executive Director will also act as an advocate for the interests of the properties assessed within the BID boundaries. These efforts include but are not limited to the creation of "co-partnerships" with local government, non-profit, and private sector organizations. These partnerships will be one of the BID's assets providing a larger voice for the interests of the assessed non-residential properties in the BID.

These interests include but are not limited to parking issues, occupancy rates, public relations & marketing, and image enhancement of the assessed non-residential properties within the BID.

Additionally, the non-profit Owners' Association which administers the BID may seek additional monies in the form of grants for BID management needed to carry-out contract requirements and all other administrative duties.

This component is key to the proper expenditure of BID assessment funds and the administration of BID programs and activities which are intended to promote business within the BID boundaries through increased commerce and the attraction and retention of new business. Because this administration program exists only for the purposes of the BID and will only be provided for matters concerning assessed parcels within the BID boundaries, this program constitutes a "special benefit" to the assessed parcels.

6. CONTINGENCY /RESERVE/UNCOLLECTED FUNDS (\$32,838.97):

The Contingency/Reserve/Uncollectable budget includes City/County collection fees, and additional projects the Owners' Association (BID) deems appropriate. The contingency is ancillary and necessary to the unimpeded delivery of the BID's programs and services. This contingency/reserve fund will only be provided to assessed parcels within the BID boundaries, therefore this program provides a "special benefit" to the assessed parcels.

Each of the above six areas of programs and activities work together to create an environment within the district that

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is conducive to strengthening the current and future economic vitality of this area through the attraction and retention of new business, increased commerce and increased occupancy rates. The programs, improvements and services are designed to specifically benefit properties within the BID boundaries. The proposed BID assessments will only be levied on identified properties within the BID boundaries and assessment revenues will be spent to deliver services that provide a direct and special benefit to assessed parcels and to improve the economic vitality of these properties. Inasmuch as no services will be provided beyond the BID boundaries to the surrounding communities or to the public in general, any general benefit is unintentional. It is hereby determined that general benefits, if any, are not quantifiable, measurable, or tangible.

It is noted that residential land uses, whether located on commercial or residential zoned land within the district, will not be directly serviced by the BID programs either physically or by program type. Thus, in the opinion of this Engineer, these certain parcels will receive no direct benefits from BID funded programs and, in turn, will not be assessed. In the future, should the land use on any of these residential use/commercial zoned parcels convert from residential to non-residential, an assessment will be levied in accordance with the assessment formula rates in effect at the time. Under any circumstances, residentially zoned parcels within the district cannot be assessed regardless of land use as stipulated in State BID Law.

Finding 3. From Section 4(a): “(Determine) the proportionate special benefit derived by each parcel in relationship to the entirety of the.....cost of public improvement(s) or the maintenance and operation expenses.....or the cost of the property related service being provided.

Each identified parcel within the district will be assessed based on property characteristics unique only to that parcel. The calculated assessment rates are applied to the actual measured parameters of each parcel and thereby are proportional to each and every other identified parcel within it's respective benefit area and the district as a whole. Larger parcels and ones with larger street frontages along Sherman Way are expected to impact the demand for services and programs to a greater extent than smaller ones and thus are assigned a higher proportionate degree of assessment program and service costs.

Similarly, benefit areas will vary in the level of services and programs to be provided and assessment rates within each area will proportionately vary accordingly. Those areas to be provided with greater levels of services will be assigned higher assessment rates. The proportionality is further achieved by setting targeted formula component weights for the respective parcel by parcel identified land attributes. The proportionate special benefit cost for each parcel has been calculated based on optimum proportionate formula components and is listed as an attachment to the Management District Plan and this Report. The individual percentages (i.e. proportionate relationship to the total

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special benefit related program and activity costs) is computed by dividing the individual parcel assessment by the total special benefit program costs.

Finding 4. From Section 4(a): “No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”

Not only are the proposed program costs reasonable due to the benefit of group purchasing and contracting which would be possible through the Canoga Park BID, they are also considerably less than other options considered by the Canoga Park BID proponent group. The actual assessment rate for each parcel within the BID directly relate to the level of service to be provided based on the respective lot size of each parcel, and for parcels fronting along Sherman Way, their respective amount of Sherman Way street frontage.

Finding 5. From Section 4(a): “Parcels.....that are owned or used by any (public) agency shall not be exempt from assessment.....”

There are 15 publicly owned parcels which shall receive benefits, commensurate with the assessments paid into the Canoga Park BID. The assessment total for these 15 parcels is \$21,352, which is equal to 8.68% of the total parcel assessments in the BID. There is no compelling evidence that publicly owned parcels would not benefit equally to privately owned parcels and, thus, will be assessed in the same manner and rates as private parcels in the BID.

APN Number	Owner	Useage	Assessment
2111-019-903	Community Redevelopment Agency	Office Building	1,133.15
	CRA total assessment		1,133.15
2111-018-900	L A City	Office Building	1,102.12
2111-019-901	L A City	Office Building	1,133.04
2111-019-902	L A City	Office Building	730.05
2111-019-904	L A City	Office Building	755.43
2111-020-900	L A City	Office Building	1,107.26
2111-025-900	L A City	Office Building	755.43
2111-025-901	L A City	Office Building	755.43
2111-026-902	L A City	Office Building	755.43
2111-026-904	L A City	Office Building	805.43
2111-026-900	L A City S by S	Office Building	729.54
2111-027-900	L A City S by S	Office Building	755.33
	LA CITY total assessment		9,384.49
2111-026-903	L A County	Office Building	2,266.29
	LA COUNTY total assessment		2,266.29
2111-029-904	LACMTA	Office Building	6,672.60
	LACMTA total assessment		6,672.60
2111-021-900	U.S. Govt	Office Building	1,874.18
	U.S. GOVT total assessment		1,874.18

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Finding 6. From Section 4(b): “All assessments must be supported by a detailed engineer’s report prepared by a registered professional engineer certified by the State of California”.

This report serves as the “detailed engineer’s report” to support the benefit property assessments proposed to be levied within the Canoga Park BID.

Finding 7. From Section 4(c): “The amount of the proposed assessment for each parcel shall be calculated (along with) the total amount thereof chargeable to the entire district, the duration of such payments, the reason for such assessment and the basis upon which the amount of the proposed assessment was calculated.”

The individual and total parcel assessments attributable to special property benefits are shown on Appendix 1 to the Management District Plan and this Report. The District and resultant assessment payments will continue for 10 years and may be renewed again at that time. The reasons (purposes) for the proposed assessments are outlined in Finding 2 above as well as in the Management District Plan. The calculation basis of the proposed assessment is attributed to land area and Sherman Way street frontage for non-residential properties. There are two Benefit Zones.

Assessment Formula Methodology

Step 1. Select “Basic Benefit Unit(s)”

BID assessment formulas typically are based on either property street frontage or parcel and building size or location, all which relate to the amount of special benefit conferred on a particular parcel and the proportionate assessment to be paid. The formula may base assessments on a single factor or a combination of factors.

Based on the specific needs and corresponding nature of the program activities to be funded by the Canoga Park BID (i.e. security; landscaping and maintenance; marketing, promotion & public relations; new business attraction; administration & policy development) it is the opinion of this Assessment Engineer that the assessment factors on which to base assessment rates relate directly to the proportionate amount of land area, and Sherman Way street frontage. It has been determined that Benefit Zone 1 should generate approximately 40% of the total revenue and Benefit Zone 2, the remaining 60%.

For non-residential uses, the interactive application of land area and street frontage (Benefit Zone 1 only) quantities

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are a proven method of fairly and equitably spreading special benefit costs to these primary beneficiaries (non-residential uses) of BID funded services, programs and improvements. Each of these factors directly relates to the degree of benefit each parcel will receive from BID funded activities. Land area is a direct measure of the current and future development capacity of each parcel and its corresponding impact or draw on BID funded activities such as security; landscaping and maintenance; marketing, promotion & public relations; new business attraction; administration & policy development). In the opinion of this Assessment Engineer, the targeted weight of this factor, land area, should generate approximately 95% of the total BID revenue within Benefit Zone 1 and 100% within Benefit Zone 2. Street frontage is a direct measure of the static utilization of each parcel and its corresponding impact or draw on BID funded activities such as maintenance and physical amenities. In the opinion of this Assessment Engineer, the targeted weight of this factor, street frontage, should generate approximately 5% of the total BID revenue within both Benefit Zone 1 and 0% within Benefit Zone 2.

It is to be noted that the State of California PBID law states that "properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and services funded through these assessments, and shall not be subject to any assessment pursuant to this part." It is hereby concluded that the same rule of logic shall apply to properties with residential land uses, whether located on commercially or residentially zoned land within the BID.

Therefore residential land uses, whether located on commercial or residential zoned land within the district, will not be directly serviced by the BID programs either physically or by program type. Thus, in the opinion of this Engineer, these certain parcels will receive no direct benefits from BID funded programs and, in turn, will not be assessed. In the future, should the land use on any of these residential use/commercial zoned parcels convert from residential to non-residential, an assessment will be levied in accordance with the assessment formula rates in effect at the time. Under any circumstances, residentially zoned parcels within the district cannot be assessed regardless of land use as stipulated in State BID Law.

The "Basic Benefit Units" for non-residential uses will be expressed as a combined function of land square footage (Benefit Unit "A") and Sherman Way street frontage (Benefit Unit "B"). Based on the shape of the Canoga Park BID, as well as the nature of the District program elements, it is determined that all properties will gain a direct and proportionate degree of benefit based either on the respective amount of parcel size and Sherman Way street frontage within two benefit zones.

Step 2. Quantify Total Basic Benefit Units

Taking into account all identified benefiting properties and their respective assessable benefit units, there are within Benefit Zone 1 – 983,808 Benefit Units A-1 and 5,482 Benefit Units B-1. Within Benefit Zones 2 there are –

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1,414,011 Benefit Units A-2, 339,770 and 0 Benefit Units B-2.

Step 3. Calculate Benefit Units for Each Property.

The number of Benefit Units for each identified benefiting parcel within the Canoga Park BID was computed from data extracted from City of Los Angeles land records as well as County Assessor records and maps. These data sources delineate current land uses, property areas and dimensions of record for each tax parcel. While it is understood that this data does not represent legal field survey measurements or detailed title search of recorded land subdivision maps or building records, it does provide an acceptable basis for the purpose of calculating property based assessments. All respective property data being used for assessment computations will be provided to each property owner in the BID for their review. All known or reported discrepancies, errors or misinformation will be corrected.

Step 4. Determine Assessment Formula

Based on the nature of the programs to be funded as well as other rationale outlined in Step 1 above, it has been determined that the Canoga Park BID assessments will be based on land area and Sherman Way street frontage within two benefit zones. Within Benefit Zone 1, the targeted assessment formula component weights are: 95% for land area (94.7578% when adjusted) – Benefit Unit A-1, and 5% (5.2422% when adjusted) for Sherman Way street frontage- Benefit Unit B-1.

Within Benefit Zone 2, the targeted assessment formula component weights are: 100% for land area – Benefit Unit B-1, and, 0% for street frontage- Benefit Unit B-2.

When adjusted, Benefit Zone 1 will generate 42.336% of the total revenue and Zone 2, the remaining 57.663%.

Computing Zone 1 Assessment Formula Unit Costs:

$$(\text{Benefit Unit "A-1"}) = \$226,838.97 \times 42.336\% \times 94.7578\% / 938,808 \text{ sq ft} = \$0.1007/\text{sq ft}$$

$$(\text{Benefit Unit "B-1"}) = \$226,838.97 \times 42.336\% \times 5.2422\% / 5,482 \text{ sq ft} = \$1.00/\text{lin ft}$$

Computing Zone 2 Assessment Formula Unit Costs:

$$(\text{Benefit Unit "A-2"}) = \$226,838.97 \times 57.663\% \times 100.00\% / 1,414,011 \text{ sq ft} = \$0.1007/\text{sq ft}$$

$$(\text{Benefit Unit "B-2"}) = \$0/\text{lin ft}$$

The assessment formula for non-residential parcels is:

Benefit Zone 1

$$\text{LAND AREA (SQ FT)} \times \$0.1007/\text{sq ft} +$$

$$\text{SHERMAN WAY STREET FRONTAGE (LIN FT)} \times \$1.00/\text{lin Ft}$$

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Benefit Zone 2

LAND AREA (SQ FT) x \$0.1007/sq ft

It is noted that parcels with residential uses will not be assessed as delineated herein.

Step 5. Estimate Total District Costs

The total District costs for Year 1 of the BID are projected to be as shown below in Table 1.

TABLE 1
Total Year 1 District Costs

Program or activity funded by the Canoga Park BID	Approximate% of First Year Annual Budget	Estimated Annual Costs (First Year)
Security	24%	\$ 55,000
Landscaping & Maintenance	31%	\$ 70,000
Marketing, Promotions and Public Relations	11%	\$ 25,000
New Business Attraction	3%	\$7,000
Administration and Policy Development	16%	\$37,000
Contingency/ Reserve/ Uncollected Funds	15%	\$ 32,838.97
Total	100%	\$ 226,838.97

Step 6. Separate General Benefits from Special Benefits and Related Costs (Prop 218)

All benefits derived from the assessments outlined in the Management District Plan and this Report are for supplemental services, programs and improvements directly benefiting the identified properties within the BID. All BID funded activities are provided solely to properties within the Canoga Park BID. All services will be delivered only within the boundaries and designed only for the direct special benefit of the identified assessed properties in the BID. No services will be provided to non-assessed parcels outside the BID boundaries or residential parcels within the BID. Any potential spill over effect is unquantifiable as previously discussed in this report. Thus, all general benefits (if any) within or outside of the BID, are inadvertent, intangible and immeasurable.

HISTORIC OLD TOWN CANOGA PARK BUSINESS IMPROVEMENT DISTRICT

Total District revenues are shown below in Table 2.

TABLE 2
Total Year 1 District Revenues

Funding Source	Subtotal Revenue	% of Total
BID Assessments	\$226,838.97	100.00%
TOTAL DISTRICT REVENUE	\$226,838.97	100.00%

Step 7. Calculate "Basic Unit Cost"

With a Year 1 budget of \$226,838.97 (special benefit only), the Basic Unit Costs are shown above in Step 4. Since the BID is being established for a 10 year term, maximum assessments for future years (Years 2 through 10) must be set at the inception of the BID. *An annual flat inflationary assessment rate increase of up to 3% may be imposed each year for Years 2-10*, on approval by the BID Property Owner's Association.

Step 8. Spread the Assessments

The resultant assessment spread calculation results for each parcel within the BID are shown in the Management District Plan and were determined by applying the District assessment formula to each identified benefiting property.

APPENDIX 1

YEAR 1 ASSESSMENT ROLL

HISTORIC OLD TOWN CANOGA PARK BUSINESS IMPROVEMENT DISTRICT

APN	YR 1 Assessment
2023-007-025	\$1,840.53
2023-007-026	\$970.07
2023-008-010	\$443.19
2023-008-011	\$498.38
2023-008-012	\$493.55
2023-008-014	\$496.78
2023-008-015	\$496.78
2023-008-022	\$496.78
2023-008-026	\$804.31
2023-008-027	\$934.08
2023-008-028	\$993.47
2023-008-029	\$993.47
2023-008-030	\$993.47
2023-008-031	\$498.47
2023-008-032	\$496.78
2024-001-023	\$4,984.21
2024-001-028	\$4,540.57
2024-001-035	\$0.00
2024-001-036	\$0.00
2024-001-037	\$0.00
2024-001-038	\$0.00
2024-001-039	\$0.00
2024-001-040	\$0.00
2024-001-041	\$0.00
2024-001-042	\$0.00
2024-001-043	\$0.00
2024-001-044	\$0.00
2024-001-045	\$0.00
2024-001-046	\$0.00
2024-001-047	\$0.00
2024-001-048	\$3,321.37
2111-017-001	\$755.13
2111-017-002	\$755.43
2111-017-003	\$755.43
2111-017-006	\$1,133.15
2111-017-007	\$755.43
2111-017-008	\$729.24
2111-017-009	\$605.97
2111-017-010	\$528.14
2111-017-022	\$705.07
2111-017-025	\$1,510.86
2111-017-026	\$777.09
2111-017-027	\$817.89
2111-017-030	\$388.29

2111-017-031	\$749.99
2111-017-033	\$777.29
2111-017-034	\$776.88
2111-017-035	\$425.06
2111-017-036	\$425.06
2111-017-037	\$773.56
2111-017-039	\$767.82
2111-017-040	\$2,735.35
2111-018-001	\$1,132.84
2111-018-005	\$377.31
2111-018-006	\$377.31
2111-018-009	\$377.31
2111-018-010	\$377.31
2111-018-011	\$377.31
2111-018-012	\$377.31
2111-018-013	\$1,283.21
2111-018-014	\$754.67
2111-018-015	\$378.64
2111-018-016	\$378.64
2111-018-017	\$377.33
2111-018-018	\$377.33
2111-018-019	\$377.33
2111-018-020	\$452.94
2111-018-021	\$454.25
2111-018-022	\$724.41
2111-018-023	\$755.13
2111-018-027	\$1,132.84
2111-018-028	\$755.43
2111-018-029	\$755.43
2111-018-030	\$1,132.84
2111-018-031	\$755.43
2111-018-032	\$1,133.15
2111-018-033	\$1,133.15
2111-018-900	\$1,102.12
2111-019-001	\$897.62
2111-019-002	\$377.33
2111-019-003	\$755.33
2111-019-007	\$566.47
2111-019-008	\$566.47
2111-019-009	\$1,484.77
2111-019-010	\$377.33
2111-019-011	\$377.33
2111-019-012	\$377.33
2111-019-016	\$603.75
2111-019-017	\$301.73
2111-019-019	\$377.31

HISTORIC OLLTOWN CANOGA PARK BUSINESS IMPROVEMENT DISTRICT

2111-019-020	\$755.13
2111-019-021	\$755.43
2111-019-027	\$2,644.01
2111-019-028	\$1,132.84
2111-019-029	\$1,510.14
2111-019-901	\$1,133.04
2111-019-902	\$730.05
2111-019-903	\$1,133.15
2111-019-904	\$755.43
2111-020-001	\$1,274.85
2111-020-002	\$755.43
2111-020-003	\$755.43
2111-020-004	\$755.43
2111-020-007	\$755.43
2111-020-010	\$1,287.64
2111-020-011	\$757.28
2111-020-012	\$754.67
2111-020-013	\$378.64
2111-020-014	\$377.33
2111-020-015	\$729.24
2111-020-016	\$377.31
2111-020-017	\$755.13
2111-020-018	\$377.31
2111-020-019	\$377.31
2111-020-020	\$377.31
2111-020-021	\$755.13
2111-020-022	\$377.31
2111-020-023	\$377.31
2111-020-024	\$1,132.84
2111-020-025	\$755.13
2111-020-027	\$0.00
2111-020-028	\$0.00
2111-020-029	\$0.00
2111-020-030	\$0.00
2111-020-031	\$0.00
2111-020-032	\$0.00
2111-020-033	\$0.00
2111-020-034	\$1,510.86
2111-020-900	\$1,107.26
2111-021-002	\$0.00
2111-021-003	\$0.00
2111-021-009	\$516.57
2111-021-010	\$1,107.40
2111-021-011	\$1,107.40
2111-021-012	\$1,107.40
2111-021-013	\$894.05
2111-021-014	\$490.93

2111-021-015	\$1,211.41
2111-021-016	\$1,211.41
2111-021-019	\$1,416.38
2111-021-023	\$1,087.72
2111-021-024	\$1,133.15
2111-021-025	\$1,634.79
2111-021-026	\$0.00
2111-021-027	\$1,699.72
2111-021-029	\$0.00
2111-021-030	\$0.00
2111-021-031	\$0.00
2111-021-032	\$0.00
2111-021-033	\$0.00
2111-021-034	\$0.00
2111-021-035	\$0.00
2111-021-036	\$0.00
2111-021-037	\$0.00
2111-021-038	\$0.00
2111-021-039	\$0.00
2111-021-040	\$0.00
2111-021-041	\$0.00
2111-021-042	\$0.00
2111-021-043	\$0.00
2111-021-044	\$0.00
2111-021-045	\$0.00
2111-021-046	\$0.00
2111-021-900	\$1,874.18
2111-022-007	\$702.45
2111-022-008	\$1,660.11
2111-022-009	\$453.26
2111-022-010	\$1,107.40
2111-022-011	\$1,429.11
2111-022-012	\$1,838.42
2111-022-013	\$1,416.48
2111-022-017	\$838.43
2111-022-018	\$0.00
2111-022-019	\$0.00
2111-022-020	\$2,525.45
2111-022-021	\$1,573.81
2111-022-022	\$1,012.18
2111-022-023	\$1,107.40
2111-022-024	\$0.00
2111-022-025	\$1,416.48
2111-023-004	\$6,962.20
2111-023-005	\$3,833.86
2111-023-007	\$0.00
2111-023-013	\$674.85

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2111-023-016	\$1,321.84
2111-023-018	\$1,012.18
2111-023-019	\$2,103.82
2111-023-020	\$2,159.12
2111-023-022	\$0.00
2111-023-023	\$0.00
2111-023-024	\$0.00
2111-023-025	\$0.00
2111-023-026	\$0.00
2111-023-027	\$0.00
2111-023-028	\$0.00
2111-023-029	\$0.00
2111-024-001	\$2,160.12
2111-024-002	\$1,107.40
2111-024-003	\$1,107.40
2111-024-004	\$1,107.40
2111-024-005	\$1,107.40
2111-024-006	\$2,151.36
2111-024-007	\$2,422.82
2111-024-008	\$1,416.28
2111-024-011	\$377.72
2111-024-012	\$0.00
2111-024-015	\$1,416.38
2111-024-016	\$1,416.28
2111-024-017	\$855.15
2111-024-018	\$1,567.47
2111-024-019	\$0.00
2111-024-020	\$2,450.21
2111-025-001	\$897.62
2111-025-002	\$936.20
2111-025-005	\$754.67
2111-025-006	\$754.67
2111-025-007	\$754.67
2111-025-008	\$729.24
2111-025-009	\$377.31
2111-025-010	\$755.13
2111-025-011	\$377.31
2111-025-012	\$377.31
2111-025-013	\$1,510.86
2111-025-017	\$755.13
2111-025-018	\$0.00
2111-025-021	\$0.00
2111-025-022	\$0.00
2111-025-025	\$1,107.36
2111-025-027	\$754.67
2111-025-028	\$1,510.66
2111-025-029	\$0.00

2111-025-900	\$755.43
2111-025-901	\$755.43
2111-026-001	\$746.71
2111-026-002	\$528.65
2111-026-004	\$402.31
2111-026-005	\$757.28
2111-026-006	\$757.28
2111-026-007	\$378.64
2111-026-008	\$530.26
2111-026-009	\$755.13
2111-026-010	\$755.13
2111-026-013	\$377.31
2111-026-015	\$755.13
2111-026-016	\$377.31
2111-026-017	\$755.13
2111-026-018	\$755.13
2111-026-019	\$755.13
2111-026-020	\$377.31
2111-026-022	\$755.13
2111-026-023	\$377.31
2111-026-024	\$755.13
2111-026-025	\$729.24
2111-026-026	\$755.43
2111-026-900	\$729.54
2111-026-902	\$755.43
2111-026-903	\$2,266.29
2111-026-904	\$805.43
2111-027-001	\$217.75
2111-027-002	\$222.90
2111-027-003	\$364.95
2111-027-004	\$714.30
2111-027-005	\$266.79
2111-027-006	\$266.79
2111-027-007	\$357.50
2111-027-008	\$357.50
2111-027-009	\$267.19
2111-027-010	\$266.79
2111-027-013	\$339.30
2111-027-014	\$463.68
2111-027-015	\$729.24
2111-027-018	\$377.31
2111-027-019	\$377.31
2111-027-022	\$1,132.84
2111-027-025	\$755.43
2111-027-029	\$755.13
2111-027-032	\$1,132.84
2111-027-033	\$377.72

HISTORIC OLD TOWN CANOGA PARK BUSINESS IMPROVEMENT DISTRICT

2111-027-034	\$755.13
2111-027-035	\$729.24
2111-027-036	\$1,510.66
2111-027-037	\$755.13
2111-027-038	\$713.89
2111-027-039	\$1,132.84
2111-027-040	\$755.93
2111-027-041	\$756.14
2111-027-900	\$755.33
2111-028-001	\$605.97
2111-028-002	\$377.33
2111-028-003	\$377.33
2111-028-004	\$754.67
2111-028-005	\$757.28
2111-028-006	\$378.64
2111-028-007	\$378.04
2111-028-008	\$1,197.03
2111-028-019	\$679.59

2111-028-020	\$453.26
2111-028-021	\$755.43
2111-028-022	\$377.31
2111-028-023	\$1,133.15
2111-028-024	\$377.72
2111-028-026	\$755.13
2111-028-029	\$729.24
2111-028-031	\$377.31
2111-028-032	\$773.96
2111-028-033	\$386.58
2111-028-034	\$773.56
2111-028-038	\$767.82
2111-028-039	\$1,525.97
2111-028-040	\$1,160.95
2111-028-041	\$1,135.06
2111-028-042	\$755.23
2111-029-001	\$7,086.15
2111-029-904	\$6,672.60